

Memorandum

TO: Governor's Task Force on Energy Efficiency and Renewables -
Renewables Workgroup and Stakeholders

FROM: Don Reck, co-chair
Michael Vickerman, co-chair

DATE: May 26, 2004

RE: Outcomes from 5-24-04 Meeting

Task Force Members Present:

Rep. Spencer Black
Charlie Higley, CUB
Don Reck, Xcel (by teleconference)
Keith Reopelle, SELP
Michael Vickerman, RENEW

Staff Present:

Alex DePillis, DOA
Paul Helgeson, PSC

Stakeholders Present:

Katie Abend, Martin Schreiber & Associates
Cathy Boies, CFC
Steve Bohlman, Alliant
Greg Bollom, MGE
Chris Deisinger, RENEW
David Donovan, Xcel
Phyllis Dube, WE Energies
Dave Hansen, DATCP
Rebecca Larson, Xcel
Kate Noble, Governor's Office
Ilze Rukis, WPS
Susan Stratton, ECW
Phil Uekert, WPS
Don Wichert, WECC

The next Renewables Workgroup meeting is scheduled for June 8th from 1-4 p.m. at Xcel (10 East Doty Street, Suite 511, Madison). Workgroup also scheduled a meeting for June 30th from 1-4 p.m. at Xcel's Madison office.

Meeting Outcomes

- Workgroup reviewed discussions at recent full Task Force meeting and Regulatory Initiatives workgroup meeting, including the June 15th hearing, the status of legislation to require state purchases of renewable energy and the Task Force's schedule through the summer.

- The PSC and Xcel Energy clarified numbers regarding utility renewable sales. A discussion ensued regarding the inclusion of hydro facilities, allocation of out-of-state facilities and the treatment of green priced energy. It was understood that Xcel Energy -Wisconsin is a renewable exporter to the Xcel Energy system and that renewable energy levels may fluctuate 2-3% annually due to variable hydro output from changing rainfall levels.
- Workgroup discussed utility purchases of renewable energy through net energy billing tariffs. Group agreed that preferred treatment should be through the tariff or contract sheet. Group also discussed current DOA policy that prevents renewable energy created through a Focus on Energy grant from being counted toward a utility's RPS fulfillment. Group agreed the incentives in this policy are misaligned and policy should be revised.
- Energy Center of Wisconsin asked for direction from workgroup regarding customer-owned renewable generation study to be folded in with energy efficiency potential study. ECW invited workgroup to give input before June 7th meeting. Workgroup will also take up this issue at its June 8th meeting.
- Workgroup discussed "Status of Workgroup Discussions" memo and reached further areas of agreement, including treatment of Manitoba Hydro purchases, out-of-state renewable energy and credits created under the current RPS system, among others. Memo will be revised to reflect workgroup's discussions.

Action Items

- Michael Vickerman to finalize numbers used to establish baseline for renewable energy use in the state.
- Michael Vickerman to revise customer generation tariff statement.
- Michael Vickerman and Don Wichert to review DOA policy toward Focus on Energy grants and RPS fulfillment.
- Phil Uekert to develop list of examples of circumstances beyond a utility's control that could result in delays in reaching a new renewable standard.
- Utilities to research purchases from hydro facilities in excess of 60 MW other than that purchased from Manitoba (e.g. WAPA).
- Michael Vickerman, Don Reck and Catherine Boies to finalize "Status of Workgroup Discussions" summary document and forward to workgroup.